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# USIA Chief Questioned On 'Project Democracy'

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Members of the Senate Foreign Relations Committee yesterday questioned whether President Reagan's \$85 million "Project Democracy" proposal will put a propaganda stamp on longstanding U.S. programs overseas and jeopardize their acceptance by foreign governments.

Much of the concern was about how cultural and student exchange programs, support of foreign press groups and educational programs will be affected.

Committee members heard a plea from the panel's former chairman, J.W. Fulbright, that they not mingle the administration's short-term propaganda efforts with long-term overseas programs such as the student exchanges, which have a non-political tradition.

Fulbright noted that 24 foreign governments partially fund the student exchange program that bears his name and that the program has benefited 140,000 persons over three decades.

Although the Fulbright exchange program is not directly under Project Democracy, budget funds were transferred out of the program to set up a \$10 million student exchange program under the project, a committee staff member said.

"No country will support another country's propaganda," Fulbright said.

At a crowded hearing, Charles Z. Wick, director of the U.S. Information Agency, defended the multifaceted program, saying it represents the administration's attempt to wage a war of ideas with the Soviet Union.

"The ideals and values which underlie our national purposes are under attack by a potent Soviet propaganda and disinformation campaign," he said.

Committee Chairman Charles H. Percy (R-Ill.) expressed concern that under Wick's interpretation of Project Democracy, the Voice of America would be supervised by the State Department, which Percy said would amount to a "propagandizing of VOA."

Under questioning by Paul E. Tsongas (D-Mass.), Wick acknowledged that CIA Director William J. Casey had participated in discussions about Project Democracy, but Wick denied that the CIA would participate.

Wick also acknowledged that as part of Project Democracy, the USIA intends to funnel \$50,000 through an intermediary organization to the Inter-American Press Association because that group's rules prohibit funding by governments.

"This would appear to be a rather indelicate attempt to launder \$50,000," Tsongas said. Wick replied, "There was no thought whatsoever to be covert. It's not that intent."

Charles McC. Mathias Jr. (R-Md.) pointed out that, according to a chart displayed by Wick at the hearing, it appeared that the USIA would be directing "public affairs" effort in the United States, an apparent violation of the USIA charter requiring the agency to communicate U.S. policies overseas.

Wick promised that would not happen and said the USIA would be only a "resource" for domestic information campaigns.

Christopher J. Dodd (D-Conn.) asked that Wick return to the panel with proposed legislative guidelines for Project Democracy. "If you wish this program to survive, you had better establish some parameters for behavior. I can see what's going to happen before it starts—this is just going to be perceived as a propaganda tool," Dodd said.